

DEBTOR: Marion Energy Inc

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 14-31632

Form 2-A
COVER SHEET

For Period Ending December 31 2014

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: #

Print Name: Karel Louman

Signature: 

Title: Chief Financial Officer

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: Dec 1 2014 to Dec 31 2014

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ 5,745.76 (1)	\$ 5,745.76 (1)
2. Cash Receipts		
Operations	0.00	0.00
Sale of Assets	0.00	0.00
Loans/advances	500,000.00	1,000,000.00
Other	50,000.00	50,000.00
Total Cash Receipts	\$ 550,000.00	\$ 1,050,000.00
3. Cash Disbursements		
Operations	325,655.80	712,466.68
Debt Service/Secured loan payment	0.00	0.00
Professional fees/U.S. Trustee fees	0.00	0.00
Other	0.00	0.00
Total Cash Disbursements	\$ 325,655.80	\$ 712,466.68
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	224,344.20	337,533.32
5 Ending Cash Balance (to Form 2-C)	\$ 230,089.96 (2)	\$ 343,279.08 (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash		\$ 0
DIP Operating Account	<u>Wells Fargo Bank 9882</u>	343,279.08
DIP State Tax Account		0.00
DIP Payroll Account		0.00
Other Operating Account	<u>Wells Fargo Bank 6042</u>	0.00
Other Operating Account	<u>Wells Fargo Bank 0277</u>	0.00
Other Interest-bearing Account	<u>Wells Fargo Bank 7247</u>	0.00
TOTAL (must agree with Ending Cash Balance above)		\$ 343,279.08 (2)

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: _Dec 1 2014_____ to _Dec 31 2014_____

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

Wells Fargo Bank 9882

Date	Payer	Description	Amount
12/24/2014	TCS II	DIP Loan	\$ 500,000.00
12/15/2014	Marion Energy	Transfer	50,000.00

Total Cash Receipts \$ 550,000.00 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

Page 2 of 3

Rev. 12/10/2009

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: Dec 1 2014 to Dec 31 2014

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: Wells Fargo Bank 9882

Date	Check No.	Payee	Description (Purpose)	Amount
12/01/2014	1015	GE Credit Equities, Inc.	Office Utilities	620.40
12/01/2014	1015	GE Credit Equities, Inc.	Office Rent	8,099.67
12/01/2014	1016	Guardian	Health Insurance Expense	2,932.95
12/01/2014	1018	United Health Care	Health Insurance Expense	17,862.08
12/01/2014	1019	JW Power Company	Compressor Rental	18,711.33
12/01/2014	1020	Nelco Contractors Inc	Contract Labor	407.97
12/01/2014	1021	Gollob Morgan Peddy	Accounting Fees	3,050.00
12/01/2014	1021	Gollob Morgan Peddy	Accounting Fees	4,000.00
12/01/2014	WT Fed#05507	Jeffrey Clarke	Travel Expense	1,000.00
12/02/2014	1022	Enviro Rehab & Construction	Misc Equipment	1,208.50
12/02/2014	1022	Enviro Rehab & Construction	Equipment Rental	5,940.85
12/02/2014	1022	Enviro Rehab & Construction	LOE - Snow Removal	7,900.00
12/04/2014	WT Fed#06467	Karel Louman	Travel Expense	1,605.75
12/04/2014	WT Seq#58599	Thomas Petroleum LLC	Fuel	4,000.00
12/05/2014	WT Fed#02847	Leland D. Endsley	Travel Expense	5,000.00
12/08/2014	1023	Enviro Rehab & Construction	Repairs & Maint	693.58
12/08/2014	1023	Enviro Rehab & Construction	LOE - Snow Removal	1,535.00
12/08/2014	1024	Jon Nuttal	LOE - Snow Removal	2,250.00
12/08/2014	1025	CubeSmart	Storage	198.00
12/08/2014	1026	CentraCom	Telephones	52.90
12/08/2014	1027	Time Warner Cable	Telephone Expense	828.78
12/08/2014	WT Fed#00867	Douglas Flannery	Travel Expense	4,036.98
12/08/2014	WT Fed#04403	Timothy Dart	Contract Labor	2,113.51
12/08/2014	WT Fed#04602	David Smith	Expenses	1,239.00
12/08/2014	WT Fed#09435	Jeffrey Clarke	Office Expense	308.39
12/08/2014	WT Fed#09435	Jeffrey Clarke	Meals & Entertainment	680.17
12/08/2014	WT Fed#09435	Jeffrey Clarke	Telephone Expense	1,059.07
12/08/2014	WT Fed#09435	Jeffrey Clarke	Travel Expense	6,910.15
12/09/2014	1028	Rickard DeMille	Office Expense	187.91
12/09/2014	1029	Unum Life Insurance Co	Insurance Expense	2,310.02
12/11/2014	141210	Wells Fargo	Bank Charges	365.61
12/15/2014	1030	Enviro Rehab & Construction	LOE - Snow Removal	1,200.00
12/15/2014	1031	Elaine Tran	Misc G&A	25.00
12/15/2014	1031	Elaine Tran	Office Expense	123.68
12/15/2014	141216	Wells Fargo Payroll	Payroll Fees	82.95
12/15/2014	Debit123014	Wells Fargo Payroll	Payroll Taxes	10,686.28
12/15/2014	WT Fed Various	Wells Fargo Payroll	Net Payroll to Employees	35,554.66
12/15/2014	Wt Fed#01839	Karel Louman	Travel Expense	2,392.20
12/18/2014	WT Seq#57163	Thomas Petroleum LLC	Fuel	3,500.00
12/26/2014	1032	Darvel Earl	Truck Allowance	1,000.00
12/26/2014	1033	David Smith	Truck Allowance	1,500.00
12/26/2014	1034	Enviro Rehab & Construction	Repairs & Maint	203.65
12/26/2014	1034	Enviro Rehab & Construction	LOE - Snow Removal	2,400.00
12/26/2014	1035	Paragon Automation	Meter Proving	435.00
12/26/2014	1035	Paragon Automation	Meter Proving	475.00
12/26/2014	WT Fed#01210	Timothy Dart	Contract Labor	661.93
12/26/2014	WT Fed#01210	Timothy Dart	Contract Labor	661.94
12/26/2014	WT Fed#01232	Douglas Flannery	Consulting Fees	25,000.00
12/29/2014	1036	Security Life of Denver Ins Co	Insurance Expense	4,550.00
12/29/2014	1037	Enviro Rehab & Construction	LOE - Snow Removal	9,200.00
12/29/2014	WT Fed#04805	ONRR	Delay Rentals	1,794.00
12/29/2014	Wt Fed#06393	Karel Louman	Travel Expense	280.71
12/30/2014	1038	Carbon County Treasurer	Ad Valorem Tax	4,729.78
12/30/2014	1038	Carbon County Treasurer	Ad Valorem Tax	4,751.33
12/30/2014	1039	Emery County Treasurer	Ad Valorem Tax	5,520.60
12/30/2014	141231	Wells Fargo Payroll	Payroll Fees	92.55
12/30/2014	141231	Wells Fargo Payroll	Net Payroll to Employees	82,967.79
12/30/2014	Debit123014	Wells Fargo Payroll	Payroll Taxes	18,483.18
12/31/2014		Wells Fargo	Bank Charges	275.00
Total Cash Disbursements				\$ 325,655.80 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

Form 2-C
COMPARATIVE BALANCE SHEET

For Period Ended: December 31 2014

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 343,279.08	\$ 5,745.76
Accounts Receivable (from Form 2-E)	0.00	0.00
Receivable from Officers, Employees, Affiliates	0.00	0.00
Inventory	0.00	0.00
Other Current Assets :(List)		
<u>Deposits</u>	45,742.80	45,184.80
<u>Prepaid Expenses</u>	68,921.80	124,117.77
<u>Accrued Revenue Receivable</u>	24,107.85	6,671.00
Total Current Assets	\$ <u>482,051.53</u>	\$ <u>181,719.33</u>
Fixed Assets:		
Land	\$ 0.00	\$ 0.00
Building	0.00	0.00
Equipment, Furniture and Fixtures	114,183.92	114,183.92
Total Fixed Assets	<u>114,183.92</u>	<u>114,183.92</u>
Less: Accumulated Depreciation	(58,579.01)	(55,349.67)
Net Fixed Assets	\$ <u>55,604.91</u>	\$ <u>58,834.25</u>
Other Assets (List):		
<u>Net Oil & Gas Properties</u>	85,067,555.05	84,821,926.23
<u>Bond Deposits</u>	995,930.00	995,930.00
TOTAL ASSETS	\$ <u>86,601,141.49</u>	\$ <u>86,058,409.81</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 275.00	\$ 0
Post-petition Accrued Professional Fees (from Form 2-E)	167,170.34	0
Post-petition Taxes Payable (from Form 2-E)	0.00	0
Post-petition Notes Payable	2,454,351.21	0
Other Post-petition Payable(List):		
<u>Accrued Revenue Payable</u>	4,142.59	0
<u>Asset Retirement Obligation</u>	5,768.36	0
<u>Intercompany Marion Energy</u>	50,000.00	
Total Post Petition Liabilities	\$ <u>2,681,707.50</u>	\$ <u>0</u>
Pre Petition Liabilities:		
Secured Debt	34,441,393.64	34,441,393.64
Priority Debt	0.00	0.00
Unsecured Debt	128,973,608.60	128,972,704.35
Total Pre Petition Liabilities	\$ <u>163,415,002.24</u>	\$ <u>163,414,097.99</u>
TOTAL LIABILITIES	\$ <u>166,096,709.74</u>	\$ <u>163,414,097.99</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 2,910,088.00	\$ 2,910,088.00
Retained Earnings - Prepetition	-80,265,776.18	-80,265,776.18
Retained Earnings - Post-petition	-2,139,880.07	0.00
TOTAL OWNERS' EQUITY	\$ <u>-79,495,568.25</u>	\$ <u>-77,355,688.18</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ <u>86,601,141.49</u>	\$ <u>86,058,409.81</u>

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-D
PROFIT AND LOSS STATEMENT

For Period Dec 1 2014 to Dec 31 2014

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ 11,008.14	\$ 16,288.08
Less: Discounts, Returns and Allowances	(0.00)	(0.00)
Net Operating Revenue	\$ 11,008.14	\$ 16,288.08
Cost of Goods Sold	0.00	0.00
Gross Profit	\$ 11,008.14	\$ 16,288.08
Operating Expenses		
Officer Compensation	\$ 55,000.00	\$ 100,000.00
Selling, General and Administrative	294,667.03	383,503.33
Rents and Leases	8,918.07	17,836.14
Depreciation, Depletion and Amortization	6,005.45	12,010.90
Other (list): <u>Lease Operating Expenses</u>	110,900.62	188,466.57
	0.00	0.00
Total Operating Expenses	\$ 475,491.17	\$ 701,816.94
Operating Income (Loss)	\$ -464,483.03	\$ -685,528.86
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ 0.00	\$ 0.00
Gains (Losses) on Sale of Assets	0.00	0.00
Interest Income	0.00	0.00
Interest Expense	-727,668.59	-1,454,351.21
Other Non-Operating Income	0.00	0.00
Net Non-Operating Income or (Expenses)	\$ -727,668.59	\$ -1,454,351.21
Reorganization Expenses		
Legal and Professional Fees	\$ 0.00	\$ 0.00
Other Reorganization Expense	0.00	0.00
Total Reorganization Expenses	\$ 0.00	\$ 0.00
Net Income (Loss) Before Income Taxes	\$ -1,192,151.62	\$ -2,139,880.07
Federal and State Income Tax Expense (Benefit)	0.00	0.00
NET INCOME (LOSS)	\$ -1,192,151.62	\$ -2,139,880.07

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-E
SUPPORTING SCHEDULES
For Period: Dec 1 2014 to Dec 31 2014

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ 0	\$ 20,549.88	\$ 20,549.88	Debited by WF Payroll	\$	0
State	0	2,319.96	2,319.96	Debited by WF Payroll		0
FICA Tax Withheld	0	3,374.81	3,374.81	Debited by WF Payroll		0
Employer's FICA Tax	0	2,924.81	2,924.81	Debited by WF Payroll		0
Unemployment Tax						
Federal	0	0.00	0.00			0
State	0	0.00	0.00			0
Sales, Use & Excise Taxes	0	0.00	0.00			0
Property Taxes	0	0.00	0.00			0
Accrued Income Tax:						
Federal	0	0.00	0.00			0
State	0	0.00	0.00			0
Other: _____	0	0.00	0.00			0
TOTALS	\$ <u>0</u>	\$ 29,169.46	\$ 29,169.46			\$ <u>0</u>

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	Travelers Casualty Ins Co	\$ Statutory	1/24/2015	1/24/2015
General Liability	St Paul Fire & Marine Ins	\$ 2,000,000	1/24/2015	1/24/2015
Property (Fire, Theft)	St Paul Fire & Marine Ins	\$ 3,040,594	1/24/2015	1/24/2015
Vehicle	St Paul Fire & Marine Ins	\$ 1,000,000	1/24/2015	1/24/2015
Umbrella Liability	St Paul Fire & Marine Ins	\$ 10,000,000	1/24/2015	1/24/2015
Control of Well	Travelers Property Casualty	\$ 4,000,000	5/4/2015	5/4/2015
Directors & Officers	AIG Europe	\$ 10,000,000	8/31/2014	8/31/2014

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-E
SUPPORTING SCHEDULES

For Period: __Dec 1 2014__ to __Dec 31 2014__

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 275.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts	<u>0.00</u>	
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	0.00	
Net Accounts Receivable (to Form 2-C)	<u><u>0.00</u></u>	
	Total Post Petition Accounts Payable	<u><u>\$ 275.00</u></u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ 0	\$ 167170.34	\$ 0		\$ 167170.34
Counsel for Unsecured Creditors' Committee	0	0	0		0
Trustee's Counsel	0	0	0		0
Accountant	0	0	0		0
Other:	0	0	0		0
Total	<u>\$ 0</u>	<u>\$ 167170.34</u>	<u>\$ 0</u>		<u>\$ 167170.34</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
Karel Louman	CFO	Travel Expense	\$ 4,278.66
Karel Louman	CFO	December Salary	25,000.00
Jeffrey Clarke	CEO	Travel Expense	9,957.78
Jeffrey Clarke	CEO	December Salary	30,000.00

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR:

Marion Energy Inc

CASE NO:

14-31632

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: Dec 2014

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____ \$	0			
February	_____ \$	0			
March	_____ \$	0			
TOTAL 1st Quarter	\$	<u>0</u> \$			
April	_____ \$	0			
May	_____ \$	0			
June	_____ \$	0			
TOTAL 2nd Quarter	\$	<u>0</u> \$			
July	_____ \$	0			
August	_____ \$	0			
September	_____ \$	0			
TOTAL 3rd Quarter	\$	<u>0</u> \$			
October	<u>2014</u> \$	0			
November	<u>2014</u>	386,810.88			
December	<u>2014</u>	325,655.80			
TOTAL 4th Quarter	\$	<u>712,466.68</u> \$	4,875.00		

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-G
NARRATIVE
For Period Ending 12/31/2014

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

On January 6, 2015, the Bankruptcy Court entered an order approving a stipulation between the Debtor and the Debtor's secured creditor, TCS II Funding Solutions, LLC/Castlelake (collectively "TCS"). The stipulation provided, among other things, that TCS would provide post-petition financing for the Debtor under the terms of the existing secured credit facility, subject to a budget and other terms and conditions, in order to fund a sales or refinance process of the Debtor's primary asset, Clear Creek Field. In addition to the funding, the stipulation required the Debtor to retain certain professionals to assist in the sales and marketing process. The Debtor has filed applications to retain the professionals, and the Bankruptcy Court will hold a hearing on the retention applications on January 15, 2015. The Debtor is now operating its gas wells at Clear Creek Field and is in the process of dewatering the wells and producing small quantities of gas.

Analyzed Business Checking

Document Page 11 of 16

Account number: 9882 ■ December 1, 2014 - December 31, 2014 ■ Page 1 of 3

WELLS
FARGO

MARION ENERGY INC
OPERATING ACCOUNT
DEBTOR IN POSSESSION
CH 11 CASE # 14-31632 (UT)
2150 S CENTRAL EXPY STE 380
MCKINNEY TX 75070-4068

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (808)
McKinney Towne Crossing
8990 State Hwy 121
McKinney, TX 75070

Account summary**Analyzed Business Checking**

Account number	Beginning balance	Total credits	Total debits	Ending balance
9882	\$133,746.26	\$550,000.00	-\$298,737.59	\$385,008.67

Credits**Electronic deposits/bank credits**

Effective date	Posted date	Amount	Transaction detail
	12/15	50,000.00	WT F61214003280000 Australia and NE /Org=Kordamentha Pty Ltd Usd Account Srf# F61214003280000 Trn#141215016057 Rfb#
	12/24	500,000.00	WT Seq129316 Castletlake II Lp /Org=Castletlake Lp Srf# IN14122408561714 Trn#141224129316 Rfb# 000024301
		\$550,000.00	Total electronic deposits/bank credits
		\$550,000.00	Total credits

Debits**Electronic debits/bank debits**

Effective date	Posted date	Amount	Transaction detail
	12/01	1,000.00	WT Fed#05507 Compass Bank /Ftr/Bnf=Jeffrey Clarke Srf# IN14120109362761 Trn#141201091398 Rfb# 000000252
	12/01	275.00	Online Transfer Ref #Bbexrs8Fhg to 8762827247 on 12/01/2014 0121 PM
	12/04	4,000.00	WT Seq#58599 Thomas Petroleum, LLC - /Bnf=Thomas Petroleum LLC Srf# IN14120408293791 Trn#141204058599 Rfb# 000000253
	12/04	1,605.75	WT Fed#06467 Jpmorgan Chase Ban /Ftr/Bnf=Karel Louman Srf# IN14120408301609 Trn#141204058774 Rfb# 000000254
	12/05	5,000.00	WT Fed#02847 Jpmorgan Chase Ban /Ftr/Bnf=Leland Endsley Srf# IN14120507160454 Trn#141205045821 Rfb# 000000255
	12/08	8,957.78	WT Fed#09435 Compass Bank /Ftr/Bnf=Jeffrey Clarke Srf# IN14120807220270 Trn#141208044927 Rfb# 000000256

(808)

Sheet Seq = 0013210
Sheet 00001 of 00003

WELLS
FARGO**Electronic debits/bank debits (continued)**

Effective date	Posted date	Amount	Transaction detail
	12/08	4,036.98	WT Fed#00867 Td Bank, NA /Ftr/Bnf=Douglas Flannery Srf# IN14120807373295 Trn#141208048001 Rfb# 000000257
	12/08	2,113.51	WT Fed#04403 East Idaho Credit /Ftr/Bnf=Timothy J Dart Srf# IN14120808273477 Trn#141208058290 Rfb# 000000258
	12/08	1,239.00	WT Fed#04602 Zions First Nation /Ftr/Bnf=David Smith Srf# IN14120808301089 Trn#141208058923 Rfb# 000000259
	12/11	365.61	Client Analysis Svc Chrg 141210 Svc Chge 1114 000005326349882
	12/15	2,392.20	WT Fed#01839 Jpmorgan Chase Ban /Ftr/Bnf=Karel Louman Srf# IN14121506550434 Trn#141215049653 Rfb# 000000260
	12/15	7,028.09	WT Fed#05154 Compass Bank /Ftr/Bnf=Keri Clarke Srf# IN14121507303277 Trn#141215057863 Rfb# 000000261
	12/15	2,185.53	WT Seq#57944 Bethan Clarke-Roti /Bnf=Bethan Clarke-Roti Srf# IN14121507305395 Trn#141215057944 Rfb# 000000262
	12/15	5,251.99	WT Seq#58132 Rickard Demille /Bnf=Rickard Demille Srf# IN14121507313119 Trn#141215058132 Rfb# 000000263
	12/15	1,795.99	WT Fed#05227 System United Corp /Ftr/Bnf=Desertview Federal Credit Union Srf# IN14121507315584 Trn#141215058253 Rfb# 000000264
	12/15	6,935.92	WT Fed#05265 Jpmorgan Chase Ban /Ftr/Bnf=Leland Endsley Srf# IN14121507322963 Trn#141215058347 Rfb# 000000265
	12/15	4,361.11	WT Fed#05308 Bank of America, N /Ftr/Bnf=Benjamin J Evans Srf# IN14121507325556 Trn#141215058433 Rfb# 000000266
	12/15	2,812.60	WT Fed#05323 Zions First Nation /Ftr/Bnf=David Smith Srf# IN14121507331769 Trn#141215058532 Rfb# 000000267
	12/15	5,183.43	WT Fed#05338 Jpmorgan Chase Ban /Ftr/Bnf=Elaine D Tran Srf# IN14121507333860 Trn#141215058640 Rfb# 000000268
	12/15	10,686.28	Wells Fargo Busi Tax Col Payroll Allen 7135756
	12/15	82.95	Marion Energy IN WF Payroll 141216 7135756 Payroll Invoice
	12/18	3,500.00	WT Seq#57163 Thomas Petroleum, LLC - /Bnf=Thomas Petroleum LLC Srf# IN14121807482357 Trn#141218057163 Rfb# 000000269
	12/26	1,323.87	WT Fed#01210 East Idaho Credit /Ftr/Bnf=Timothy J Dart Srf# IN14122607295388 Trn#141226036905 Rfb# 000000270
	12/26	25,000.00	WT Fed#01232 Td Bank, NA /Ftr/Bnf=Douglas Flannery Srf# IN14122607310696 Trn#141226037052 Rfb# 000000271
	12/29	280.71	WT Fed#06393 Jpmorgan Chase Ban /Ftr/Bnf=Karel Louman Srf# IN14122908102206 Trn#141229060414 Rfb# 000000272
	12/29	1,794.00	WT Fed#04805 Treas NYC Funds Tr /Ftr/Bnf=US Dept of The Interior, Office of Srf# IN14122909541115 Trn#141229085234 Rfb# 000000273
	12/30	92.55	Marion Energy IN WF Payroll 141231 7135756 Payroll Invoice
	12/30	18,483.18	Wells Fargo Busi Tax Col Payroll Allen 7135756
	12/30	82,967.79	Marion Energy IN WF Payroll 141231 7135756 Payroll DD
		\$210,751.82	Total electronic debits/bank debits

Checks paid

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
1012	333.50	12/02	1015	8,720.07	12/02	1019	18,711.33	12/02
1013	1,000.00	12/01	1016	2,932.95	12/05	1020	407.97	12/09
1014	1,500.00	12/01	1018*	17,862.08	12/05	1021	7,050.00	12/03

WELLS
FARGO**Checks paid (continued)**

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
1022	15,049.35	12/09	1027	828.78	12/12	1031	148.68	12/15
1023	2,228.58	12/16	1028	187.91	12/09	1033*	1,500.00	12/31
1024	2,250.00	12/15	1029	2,310.02	12/15	1034	2,603.65	12/31
1025	198.00	12/10	1030	1,200.00	12/23	1035	910.00	12/31
1026	52.90	12/12						
\$87,985.77			Total checks paid					

* Gap in check sequence.

\$298,737.59 **Total debits****Daily ledger balance summary**

Date	Balance	Date	Balance	Date	Balance
11/30	133,746.26	12/09	31,763.08	12/23	19,964.42
12/01	129,971.26	12/10	31,565.08	12/24	519,964.42
12/02	102,206.36	12/11	31,199.47	12/26	493,640.55
12/03	95,156.36	12/12	30,317.79	12/29	491,565.84
12/04	89,550.61	12/15	26,893.00	12/30	390,022.32
12/05	63,755.58	12/16	24,664.42	12/31	385,008.67
12/08	47,408.31	12/18	21,164.42		

Average daily ledger balance **\$155,822.46**

NOTICE: Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery PO Box 5058 Portland, OR. 97208-5058. You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Business High Yield SavingsAccount number: **7247** ■ December 1, 2014 - December 31, 2014 ■ Page 1 of 3**WELLS
FARGO**

MARION ENERGY INC
2150 S CENTRAL EXPY STE 380
MCKINNEY TX 75070-4068

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (808)

P.O. Box 6995

Portland, OR 97228-6995

Your Business and Wells Fargo

Don't forget to notify us of your business travel plans to help avoid issues when using your Wells Fargo cards while traveling. It's easy to notify us online at wellsfargo.com/travelplan, through the Wells Fargo mobile app, or by calling the phone number on the back of your card.

Activity summary

Beginning balance on 12/1	-\$275.00
Deposits/Credits	275.00
Withdrawals/Debits	- 275.00
Ending balance on 12/31	-\$275.00

Account number **7247****MARION ENERGY INC**

Texas/Arkansas account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 111900659

For Wire Transfers use

Routing Number (RTN): 121000248

Interest summary

Interest paid this statement	\$0.00
Average collected balance	\$0.00
Annual percentage yield earned	0.00%
Interest earned this statement period	\$0.00
Interest paid this year	\$770.59

WELLS
FARGO**Transaction history**

Date	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/1	Online Transfer Ref #Bbexrs8Fhg From 5326349882 on 12/01/2014 0121 Pm	275.00		0.00
12/31	Daca Maintenance Fee		275.00	-275.00
Ending balance on 12/31				-275.00
Totals		\$275.00	\$275.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 12/01/2014 - 12/31/2014

Standard monthly service fee \$20.00

You paid \$0.00

The bank has waived, or partially waived, the fee for this fee period. For the next fee period, you need to meet the requirement(s) to avoid the monthly service fee.

How to avoid the monthly service feeHave any **ONE** of the following account requirements

- Minimum daily balance
- Average collected balance

Minimum required

This fee period

\$25,000.00

\$0.00 ☐

\$50,000.00

\$0.00 ☐

YP/YP



■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

ENTER

A. The ending balance
shown on your statement \$

ADD

B. Any deposits listed in your register or transfers into your account which are not shown on your statement.

	\$	_____
	\$	_____
	\$	_____
	+	\$ _____
.....	TOTAL \$	_____

CALCULATE THE SUBTOTAL

(Add Parts A and B)

.....TOTAL \$

SUBTRACT

C. The total outstanding checks and withdrawals from the chart above - \$

CALCULATE THE ENDING BALANCE

(Part A + Part B - Part C)

This amount should be the same as the current balance shown in your check register

[illegible]